

Newsletter of the Milltown Superfund Site Redevelopment Working Group

301 W Alder, Missoula MT 59802

Dear Community Friends and Neighbors,

What does the future hold for the Milltown area? It has been eight years since area residents last met to discuss their ideas for the community's future. At that time the Superfund Site cleanup and removal of the Milltown Dam were unimaginable. Now what wasn't even imagined is about to become a reality.

For residents of Milltown, Bonner, West Riverside, Pine Grove, Piltzville, and Turah, the restoration of the Clark Fork to a clean and free-flowing state presents exciting possibilities for economic development and community revitalization. At the same time, it will also bring changes, and not always welcome ones.

With that in mind, the Missoula County Commissioners working with the U.S. Environmental Protection Agency (EPA) and the Department of Interior's Rivers and Trails Conservation Assistance Program, organized a group of area residents and stakeholders who have met regularly for more than a year to explore the benefits, opportunities, and challenges offered by the Superfund cleanup and restoration of the Clark Fork and Blackfoot Rivers.

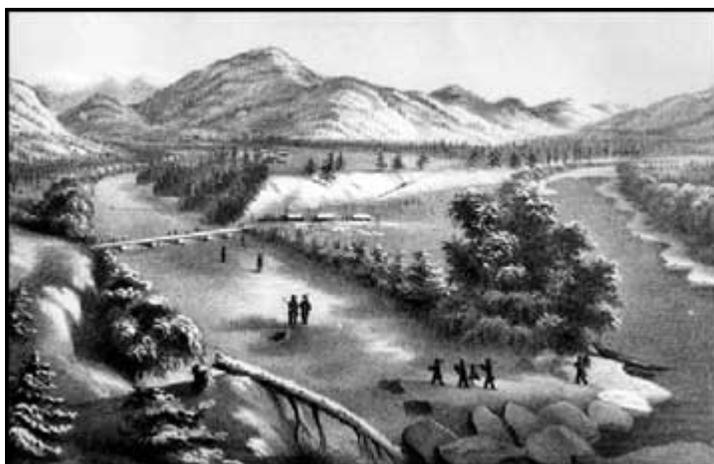
This newsletter introduces the Milltown Redevelopment Working Group, explains what we have been doing, and looks at what lies ahead for the Milltown Superfund site and broader community.

Change is coming. Now's the time to help shape it.

Work Begins

Since September, 2003 the Milltown Superfund Site Citizen Working Group has met to address these tasks:

- Identify issues, constraints, and opportunities for current and future needs in the area.
- Explore the intent of existing plans and the potential need for changes in those plans to accommodate the recommendations of the Working Group.
- Produce a proposal with short and long term recommendations that display overall detailed design as well as specific projects.
- Research funding sources and potential partnerships.
- Support ongoing, public participation efforts.



This lithograph by C. Sahon depicts the confluence of the Blackfoot and Clark Fork Rivers in the winter of 1861-62 during the encampment of the Mullan Party. K Ross Toole Archives/University of Montana

What's Next?

After the EPA releases its final Record of Decision (ROD), in late 2004 or early 2005, several public meetings will be held in January or February to gather citizens' views on redevelopment of the area during and after the Superfund cleanup and restoration. Program topics include local governance, infrastructure, land use, recreation, and historic preservation. Another newsletter will be mailed to residents prior to the first public meeting.

Inside

- * The 3 Rs of the Milltown Superfund Site: Remediation, Restoration and Redevelopment
- * Dam's Owner Agrees to Removal
- * What About the Bonner School and Loss of Taxes?

Reviewing the 3 R's of Superfund:

Remediation, Restoration and Redevelopment

First a brief history and update on efforts thus far. The Milltown Reservoir Superfund site was designated by the U.S. Environmental Protection Agency (EPA) in 1983. During the past century, mine waste materials have washed downstream from mines and smelters near Butte and Anaconda. Sediments behind the Milltown Dam are contaminated with arsenic, copper and other contaminants. Groundwater surrounding the reservoir is contaminated with arsenic, which causes cancer and other diseases in humans. The Clark Fork River becomes contaminated with copper, especially when ice scours sediments from the reservoir. Copper kills fish.

Dam's Owner Agrees to Removal

NorthWestern Energy has formally agreed to remove the Milltown Dam, and will pay a total of \$11.4 million for removal and site cleanup. The company's commitment is stated in an agreement signed by NorthWestern, Arco, the state, federal and tribal governments earlier this year. Under the agreement, most of NorthWestern's property at the Milltown reservoir would also be transferred into public ownership. The agreement has been approved by the U.S. Bankruptcy Court.

This fall NorthWestern will request an amendment of its Federal Energy Regulatory Commission license to allow the first phase of Superfund cleanup in the reservoir. The first phase includes reservoir drawdown, and installation of a river bypass channel, rail spur and other site preparation work.

Remediation

Remediation refers to the cleanup of toxic sediments. EPA and the Montana Dept. of Environmental Quality (DEQ) released a Revised Proposed Cleanup Plan for the Milltown Superfund site in May, 2004.

The plan calls for removal of about 2.6 million cubic yards of contaminated sediment from the reservoir, transport of the sediments to a waste repository near the former Anaconda smelter, and removal of the Milltown Dam, including the powerhouse and related structures.

EPA expects to release its final Record of Decision for the Site in late 2004 or early 2005, along with an agreement with the Atlantic Richfield Company (Arco) to perform the work.

Arco hired Missoula-based Envirocon Inc. to design and implement the cleanup. Envirocon completed some preliminary work at the reservoir last summer, and hopes to begin construction at the site this winter.

Restoration

Following the EPA/DEQ cleanup, the rivers and floodplain would be restored to a more natural state under a plan prepared by the State of Montana, US Fish and Wildlife Service, and Confederated Salish and Kootenai Tribes (the Natural Resource Trustees).

The Restoration Plan provides a vision for how the rivers may be restored following completion of the EPA/DEQ cleanup plan described above.

The plan's objectives include restoring naturally functioning streams using natural design principles and native materials. The plan would improve fish and wildlife habitat, improve aesthetic values and provide recreation opportunities such as whitewater boating, fishing and trails for hiking and bicycling.

Redevelopment

The Redevelopment Working Group is studying plans for the Milltown Reservoir and surrounding area that will build on remediation and restoration.

The Working Group first developed a vision, a statement of guiding principles and objectives that serve as the outline for our desired outcomes. (See page 4)



Times have changed since there were cattle drives through the streets of Milltown. More changes are coming and the EPA and County Commissioners organized the Redevelopment Working Group to help citizens prepare.

What About the Bonner School and Lost Taxes?

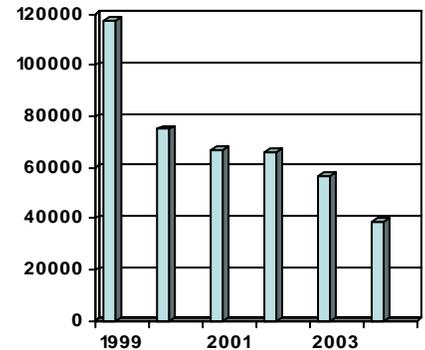
One of the Working Group's primary objectives is to replace the property taxes that the dam's owner pays to the Bonner School District. Another goal is to increase the district's tax base over the long-term.

Before we developed our plans, we decided to find out exactly how much the dam pays in taxes to the school district and what it would take to replace it.

The Current Situation

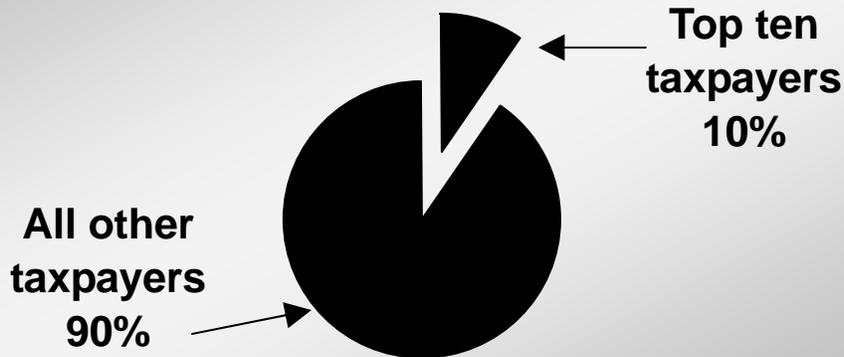
We learned that the Taxable Value of the Milltown Dam has been declining steeply since 1999 when the Legislature reduced taxes for utilities. The Milltown Dam is now worth less than half as much as it was in 1999. Likewise, the taxes paid to the Bonner School have taken a dramatic dip. In that year, the school received \$117,780 while last year that had shrunk to \$39,068, or just under three percent of the school's annual budget.

- 1999 - \$117,780
- 2000 - 75,181
- 2001 - 67,023
- 2002 - 66,031
- 2003 - 57,050
- 2004 - 39,068



Taxes Paid by Milltown Dam to Bonner School

Bonner School Revenue Sources



Most of the school's property tax revenue comes from residential and small commercial property tax collections. Only about 10% comes from Stimson, NorthWestern including the Milltown Dam, MRL, Town Pump, Qwest, Plum Creek, Yellowstone Pipeline, Greenland Park, and AT&T combined.

Sources: Rachael Vielleux, County Superintendent of Schools; Helen Greenburg, MT Department of Revenue; and Dale Bickell, County Chief Financial Officer.

What It Would Take to Replace Lost Revenue

While no school wants to see revenue sources dry up, we believe the loss would be relatively quickly offset and that residential and commercial development would provide the most significant, long-term replacement for taxes lost as a result of dam removal. It would take only 49 homes (\$150,000 market value) to replace the tax revenue produced by the Milltown Dam.

In addition to property tax revenue the School District receives direct state aid in the amount of \$4,031 per elementary student and \$5,371 per middle school student. Six new elementary students and 3 middle schoolers would bring the district an additional \$40,299, more than the dam now pays in taxes. Even 25 new homes with 4 elementary students and 1 middle school student would exceed revenue currently produced by the dam.



Bonner School, 1926

From "A Grass Roots Tribute: The Story of Bonner, Montana" by the Bicentennial Committee, Bonner School

The Milltown Superfund Site Citizen Redevelopment Working Group...the "Working Group"

The Missoula County Commissioners worked with the U.S. Environmental Protection Agency (EPA) and the Department of Interior's Rivers and Trails Conservation Assistance Program to launch a public process to develop a plan for redevelopment in the area of the Milltown Superfund site. The process included establishing a broad-based, citizen "Working Group." The Milltown Superfund Site Citizen Working Group brings together diverse interests and expertise from local and neighboring communities. The group will build on federal and state remedial and restoration plans, exploring how they can be implemented and supplemented to best benefit the public. Through a collaborative process, the group will create and recommend to Missoula County a redevelopment plan for the Milltown area that strongly reflects local preferences and is compatible with work occurring at the site. The redevelopment plan may look broadly, including recreational, environmental, economic, historic, and infrastructure developments.

The Working Group's Vision

The Milltown/Bonner area should be a healthy, participatory, growing community of individuals and families of diverse age, background, and income, who want to make their home there. We operate under the belief that Milltown Superfund Site cleanup must be state-of-the-art, environmentally friendly, and provide a permanent base upon which redevelopment and the community vision can be built.

Guiding Principles

We believe that cleanup efforts should:

- Contribute to redevelopment of a desirable community where people of all ages and income levels can and want to live.
- Build on current community character and strengthen roots and sense of community pride.
- Be compatible with and promote a stable, mixed economy with opportunities for commercial, industrial, retail and service interests.
- Foster diverse, free, public river access and recreational opportunities compatible with the natural environment of the area.
- Promote infrastructure necessary for community development, maintenance and growth.
- Maintain and enhance the quality of the existing school district.
- Provide educational opportunities and facilities that allow people of all ages to learn about the history of the area and redevelopment efforts.

Working Group Members

Trent Baker – River recreation stakeholder
Triel Culver – Hellgate Canyon resident, River recreation stakeholder
Chuck Erickson – Friends of Two Rivers, Piltzville resident
Mary Erickson – Convention and Visitors Bureau, Hotel and Motel Assn., Piltzville resident
Barbara Evans – County Commissioner
Carol Fischer – Park Board, Parks and trails stakeholder
Sue Furey – Piltzville resident
Bill Gollehon – Bonner Development Group
Mike Halligan – County citizen
Pat Hennessey, M.D – County citizen, Public health stakeholder
Candy Holt – Pine Grove resident, Former local business owner
Cindy Jimmerson – Blackfoot River resident
Ruth Jones – Milltown Water Users Assoc., Milltown
Michael Kustudia – Clark Fork River Technical Assistance Committee
Tracy Stone-Manning – Clark Fork Coalition
Gary Matson – West Riverside resident, Local business owner
Judy Matson – West Riverside resident, Historic preservation stakeholder
Dick Shimer – Stimson Lumber
Don Peters – Fisheries stakeholder
Karl Uhlig – Piltzville resident
Mike Whitman – Bonner Development Group
Todd Williams – NorthWestern Energy
Virginia Tribe – Facilitator

The Working Group has been assisted by the members of a Technical Support Team, drawn from Missoula County staff; the EPA; the Montana Natural Resource Damage Program; the Montana Dept Fish, Wildlife and Parks; the Confederated Salish & Kootenai Tribes; the National Park Service; and a volunteer local architect and landscape architects.

Milltown Redevelopment Working Group
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